



Local Government Energy Loan Program Application

Alabama Department of Economic and Community Affairs
Science, Technology and Energy Division

Bob Riley, Governor

LOCAL GOVERNMENT
ENERGY LOAN PROGRAM

A PUBLIC/PRIVATE PARTNERSHIP
OF THE

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AFFAIRS
SCIENCE, TECHNOLOGY AND ENERGY DIVISION

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Local Government Energy Loan Program

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ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS
Science, Technology and Energy Division

LOCAL GOVERNMENT ENERGY LOAN PROGRAM

INTRODUCTION

Many small, rural government entities and school systems are faced with budget restraints and do not have funds to upgrade equipment and/or buildings for energy efficiency. In an effort to promote energy conservation, the Science, Technology, and Energy Division (STE) of the Alabama Department of Economic and Community Affairs has established a revolving, low-cost energy loan program for local governments and school systems in rural areas. Through a public/private partnership with PowerSouth (a wholly owned subsidiary of Alabama Electric Cooperative) and the United States Department of Agriculture - Rural Development Office, the Local Government Energy Loan Program is available to eligible local government entities and school systems throughout the state of Alabama. All closing costs are included in the loan and it is anticipated that a local government or school system may repay the loan from fuel cost savings, making these loans an attractive option.

PURPOSE

The Local Government Energy Loan Program enables small local government entities and rural school systems to receive a zero interest loan for energy efficiency improvements, energy audits, and retrofits of buildings. The maximum amount of a loan is \$150,000 for governmental entities and up to \$150,000 per campus not to exceed \$300,000 per school system. This amount includes all closing costs. The loan interest rate is zero percent (0%). The interest rate will not be changed during the life of the loan. A three percent (3%) management fee is assessed for each approved loan.

ELIGIBILITY

The program is specifically targeted to rural areas in Alabama. The criteria for participation in the Local Government Energy Loan Program is as follows:

- Rural towns, cities, and city boards of education serving a maximum population of 20,000. Rural county governments and county boards of education serving a maximum population of 50,000.
- Rural city water and waste water systems serving a population of 20,000 or less. Water and waste water systems in counties serving a population of 50,000 or less. Water systems and waste water systems in counties of over 50,000 population will be eligible for a loan if the population they serve is less than 20,000.
- Buildings constructed by May 1, 1989, which include a heating system, cooling system, or both.
- Recipients must agree to repay the loan within ten years (may use energy cost savings to repay loan).

ENERGY AUDITS

Each project will require an energy audit of a building, complex, water system, or waste water system. The audit must identify and specify energy savings and related cost savings that are likely to be realized as a result of modifying operations and maintenance procedures, or by acquiring and installing one or more energy conservation measures. Energy Auditor must be either: 1) A registered Alabama engineer, 2) a person with training or experience in conducting commercial energy audits, or 3) a utility company representative.

ELIGIBLE PROJECTS

Energy efficiency projects eligible under the Local Government Energy Loan Program include the following measures:

- Lighting retrofits
- Heat recovery systems
- Load management devices
- Energy management systems
- Electrical distribution equipment
- Alternate/renewable energy systems
- Infiltration or building shell improvements
- Boiler efficiency and central plant improvements
- Energy efficiency improvements to sewage and water systems
- Heating, ventilating, and air conditioning (HVAC) equipment
- Other cost effective energy retrofits

PROGRAM HIGHLIGHTS

- Maximum loan amount is \$150,000 for local and county governments, \$150,000 per school campus not to exceed \$300,000 per school system (until the loan has been fully repaid).
- Term of loan is for ten years or less.
- Loans may be repaid at any time with no prepayment penalty.
- Applications for buildings and complexes must include an energy audit. Any eligible charges for an energy audit may be included in the loan amount.
- The borrower at the loan closing shall submit a Letter of Credit from a commercial bank or other form of security approved by STE. Any cost associated with the Letter of Credit may be included in the cost of the loan.
- PowerSouth will charge the borrower a ten percent (10%) late fee for amounts due on all accounts that are not paid within 30 days of billings.
- Loan recipients must provide STE with an Annual Energy Usage Report containing 12 months of energy usage data before project improvements and the first twelve-month period following completion of the project. A report form is provided with the application package.

DEFINITIONS

Borrower - A participating unit of local government or school system that has been approved to receive a revolving loan under the Local Government Energy Loan Program.

Building - Any structure or facility owned by a unit of local government or school system that was constructed and ready for occupancy on or before May 1, 1989.

Complex - Two or more buildings sharing an existing or proposed central heating/cooling or control system.

Energy Audits - Energy studies that identify and specify energy savings and related cost savings that are likely to be realized as a result of modifying operations and maintenance procedures or by acquiring and installing one or more energy conservation measures in a building or complex. (See Eligible Projects.)

Energy Conservation Measure - A replacement or modification of an installation in a building or complex intended to reduce energy consumption or allow the use of an alternative energy source.

Interest - Charges by STE for the loan cost accrued against the loan principal. Until further notice, each loan recipient will be assessed at an interest rate of zero percent (0%).

Payback Period - A numeric value derived from the review of one or more energy conservation measures, calculated by PowerSouth, using the total cost of the project divided by its annual energy cost savings. (The payback period is equivalent to your return on investments; i.e. annual energy cost savings divided by investment).

Public/Private partnership - A joint financial venture between public and private entities for accomplishing a State goal. Under the partnership, each entity is responsible for implementing specified responsibilities according to the financial venture.

Reporting Requirement - Each local government entity funded through the Local Government Energy Loan Program shall submit an Annual Energy Use Report on all projects within 60 days of the close of the 12-month period following completion of the project. Report should contain 12 months of energy usage data before project improvements and the first 12-month period following completion of the project. A report form is provided in the application package.

Rural Local Governments/Rural School Systems - Eligible participants for the Local Government Energy Loan Program are cities, towns, and local boards of education that have a population of up to 20,000 inhabitants. Rural county governments and county boards of education that have a population of up to 50,000 inhabitants are also eligible. Eligible rural county water and waste water systems are determined by the population served.

PROGRAM CONTACTS

For additional information on the Local Government Energy Loan Program,
you may contact:

Renee' Fuller, Program Manager
ADECA STE Division
P. O. Box 5690
Montgomery, AL 36103-5690
reneef@adeca.state.al.us
1 -800-392-8098

Victor Wyatt
PowerSouth
P. O. Box 550
Andalusia, AL 36420
victor.wyatt@powersouth.com
(334) 427-3228

Chris Harmon
USDA Rural Development
4121 Carmichael Road
Suite 601
Montgomery, AL 36106-3683
(334) 279-3615

You may also contact your Local Electric Cooperative or USDA Rural Development Area Office.

LOCAL GOVERNMENT ENERGY LOAN PROGRAM

HOW TO APPLY

- Step 1. Identify the building(s), retrofits and/or measures to be implemented.
- Step 2. Determine the availability of a Letter of Credit from a commercial bank or some other form of security for the loan that is acceptable to ADECA-STE.
- Step 3. Attach a copy of your organization's most recent certified financial statement.
- Step 4. Complete and mail the Application for Eligibility form with financial statements attached to:

Ms. Renee' Fuller, LGELP Program Manager
Alabama Department of Economic and Community Affairs
Science, Technology, and Energy Division
P. O. Box 5690
Montgomery, AL 36103-5690
- Step 5. Your Application for Eligibility will be reviewed and if eligible, you will be required to secure an energy audit from either: 1) A registered Alabama engineer, 2) a person with training or experience in conducting commercial energy audits, or 3) a utility company representative.
- Step 6. Submit energy audit to ADECA-STE for Technical Review.
- Step 7. You will be notified by ADECA of loan approval or disapproval.
- Step 8. All energy improvements must be completed before loan closing.
- Step 9. A loan closing date will be set. You must present a Letter of Credit or other form of security approved by ADECA-STE at the closing.

Local Government Energy Loan Program
APPLICATION FOR ELIGIBILITY FORM
 (Note: make copies as needed)

Legal Applicant Name: _____

Contact Person: _____ Phone Number: _____

Address:

City

Zip

Facility(s) to be improved. MEASURE DESCRIPTION:	ESTIMATED COST	ESTIMATED \$ SAVINGS	PAYBACK
1. _____	\$ _____	\$ _____	_____ Yrs.
2. _____	\$ _____	\$ _____	_____ Yrs.
3. _____	\$ _____	\$ _____	_____ Yrs.
4. _____	\$ _____	\$ _____	_____ Yrs.
Total	\$ _____	\$ _____	_____ Yrs.

LOAN REQUEST

- | | | |
|----|--|--------------------------------|
| 1. | Acquisition of materials/equipment | \$ _____ |
| 2. | Labor or installation costs | \$ _____ |
| 3. | Energy audit charges/engineering | \$ _____ |
| 4. | Loan processing & analysis Fee (3%) | \$ _____ |
| 5. | Letter of Credit cost | \$ _____ |
| 6. | Borrowers investment/capital | \$ _____ |
| 7. | TOTAL PROJECT COST (add 1-6) | \$ <u> </u> |
| 8. | TOTAL AMT. REQUESTED (7 less 6) | \$ <u> </u> |

Were the proposed buildings to be improved constructed prior to May 1, 1989?_____

Are the buildings owned by either the applicant or a subordinate organization?

Title

--

FOR ADMINISTRATIVE USE ONLY

Approval of Audit, Application Form, Payback yes ____ no ____ other ____

ADECA-STE Final Approval yes ☐ no ☐ other ☐

Application for Eligibility Form

Page 2

Please complete the information requested below for each building.

BUILDING TO BE IMPROVED: _____

MEASURE DESCRIPTION:	EST. COST	EST. \$ SAVINGS	PAYBACK
1. _____	\$ _____	\$ _____	_____ Yrs.
2. _____	\$ _____	\$ _____	_____ Yrs.
3. _____	\$ _____	\$ _____	_____ Yrs.
4. _____	\$ _____	\$ _____	_____ Yrs.
Total	\$ _____	\$ _____	_____ avg.

BUILDING TO BE IMPROVED: _____

MEASURE DESCRIPTION:	EST. COST	EST. \$ SAVINGS	PAYBACK
1. _____	\$ _____	\$ _____	_____ Yrs.
2. _____	\$ _____	\$ _____	_____ Yrs.
3. _____	\$ _____	\$ _____	_____ Yrs.
4. _____	\$ _____	\$ _____	_____ Yrs.
Total	\$ _____	\$ _____	_____ avg.

BUILDING TO BE IMPROVED: _____

MEASURE DESCRIPTION:	EST. COST	EST. \$ SAVINGS	PAYBACK
1. _____	\$ _____	\$ _____	_____ Yrs.
2. _____	\$ _____	\$ _____	_____ Yrs.
3. _____	\$ _____	\$ _____	_____ Yrs.
4. _____	\$ _____	\$ _____	_____ Yrs.
Total	\$ _____	\$ _____	_____ avg.

Note: Make copies as needed.

Local Government Energy Loan Program ENERGY AUDIT

This form provides a preferred summary format for the Energy Audit that is required in the Local Government Energy Loan Program of the Alabama Department of Economic and Community Affairs - STE Division. The audit consists of two parts: A. General Information and B. Energy Efficiency Audit. An applicant must submit a separate audit for each building targeted for retrofit. Please complete ALL items on both pages, attach backup calculations, and return to ADECA at the address on the next page. If you have any questions contact PowerSouth, Victor Wyatt at 1-800-264-2571 or ADECA, Renee' Fuller at 1-800-392-8098.

PART A: GENERAL INFORMATION

Section A: Applicant and Building Information

1. Applicant Name:			
2. Building Address:			
3. City:		4. State:	5. ZIP
6. Contact Person:		7. Telephone:	
8. Building Type: _____ (Select code from list:) a. Frame w/siding c. Concrete block d. Block w/brick e. Stone g. Metal or Aluminum f. Concrete PIP h. other		9. Approximate square Footage	Gross _____ Heated _____

Section B: Energy Auditor Information

Note: Energy Auditor must be either: (1) A registered Alabama engineer; (2) A person with training or experience in conducting commercial energy audits; or (3) A utility company representative.

1. Name:		2. Telephone:
3. Firm or Organization:		
4. Mailing Address:		
5. City	6. State:	7. Zip:
8. AL Professional License or Registration Number: (See note above)		

Section C: Certification

The undersigned hereby certifies that the information presented in this audit is a true and accurate representation of the energy characteristics of the applicant's building, water system, or waste water system to the best of the energy auditor's knowledge.

--

Energy Auditor's Signature and Title
(Please type or print)

Date Signed

PART B: ENERGY EFFICIENCY AUDIT

In this section you must provide information on the project after it is completed and compare it to the existing situation to determine energy cost saving and a simple payback. Loans for recommended measures must be paid-off within ten (10) years.

1. **Date Audit Performed:** _____
2. Briefly, describe the **EXISTING** situation including the type of equipment and fuel that is used.
3. Describe the situation **AFTER** implementation of the energy efficiency measures recommended:
4. **Energy Efficiency Measures (EEM) Summary.** (List the identified EEMs including estimated costs and savings for each.)

Energy Efficiency Measures	Estimated Cost	Estimated Annual Savings in \$\$\$\$	Simple Payback

5. What is the estimated date for completion of this project? _____

- 6 **Energy Savings Data.** Existing conditions vs. Recommended Changes (use whole numbers)

Fuel Type	Electricity		Natural Gas (cc ft)	LP Gas (Gal)	Annual Fuel Cost
	(kW)	(kWh)			
a. Existing					
b. Recommended					
c. Reduction					

- d. Increase (or decrease) in maintenance costs resulting from this project: _____
- e. Estimated total cost of installing the recommendations: _____
- f. Overall Project Payback: $\frac{\text{Total Project Cost}}{\text{Annual Savings}} = \text{Payback}$ years

Return this form with the application to: ADECA-STE Division
P.O. Box 5690
Montgomery, AL 36103-5690
ATTN: Renee' Fuller

ANNUAL ENERGY USE REPORT

This program requires that this Annual Energy Use Report be submitted on all projects within 60 days of the close of the 12-month period following completion of the project. Please provide 12 months of usage data before project improvements in the "Before" category. The "After" category should contain 12 months of energy usage after the project's completion. Indicate year for each category.

Grantee (name, address, and specific building/project)							Reporting Date_____			
Month	Electricity (KWh) Demand		Electricity (kWh		Electricity (\$\$)		Natural Gas (ccf)		Natural Gas (\$\$)	
	Before	After	Before	After	Before	After	Before	After	Before	After
TOTALS										
Comments: Signature of Manager and Date										

ANNUAL ENERGY USE REPORT

Continuation Sheet

Grantee (name, address, and specific building/project)							Reporting Date_____			
Month	Propane (Gal)		Propane (\$\$)		Other (specify)		Other \$\$ (specify)			
	Before	After	Before	After	Before	After	Before	After	Before	After
TOTALS										
Comments:										
Signature of Manager and Date										